

House Republican Hypocrisy on Fiscal Responsibility

This week House Republicans are bringing legislation to the Floor to extend the research and development tax credit for businesses. Democrats strongly support extending this tax credit and have included a permanent extension in the Make It In America jobs plan. Unfortunately, the Republican bill being considered this week is unpaid for and would add \$155 billion to the deficit.

The research and development tax credit is one of six permanent tax extender bills approved by Republicans on the Ways and Means Committee. These six bills would add \$310 billion to the deficit over the next decade – 13 times the amount that it would cost to renew emergency unemployment insurance for the entire year. Meanwhile, House Republican leaders have insisted on paying for legislation to restore unemployment insurance for job-seekers, fix the sustainable growth rate for Medicare payments to doctors, and replace the irrational, across-the-board spending cuts imposed by the sequester.

Economist have warned against unpaid for tax cuts:

- **Hank Paulson**: “As a general rule, I don't believe that tax cuts pay for themselves.” [Market Watch, [6/27/06](#)]
- **Ed Lazear, Council of Economic Advisers Chairman under President George W. Bush**: “Will the tax cuts pay for themselves? As a general rule, we do not think tax cuts pay for themselves...” [Washington Times, [9/28/06](#)]
- **David Stockman, director of the Office of Management and Budget under President Ronald Reagan**: “This debt explosion has resulted not from big spending by the Democrats, but instead the Republican Party’s embrace, about three decades ago, of the insidious doctrine that deficits don’t matter if they result from tax cuts.” [New York Times, [8/1/10](#)]
- **Alan Viard, senior economist at the Council of Economic Advisers under President Bush**: “Federal revenue is lower today than it would have been without the tax cuts. There’s really no dispute among economists about that.” [Washington Post, [10/17/06](#)]
- **Robert Carroll, Deputy Assistant Secretary for Tax Analysis at the U.S. Treasury Department under President Bush**: “As a matter of principle, we do not think tax cuts pay for themselves.” [Washington Post, [10/17/06](#)]
- **Alan Greenspan, Former Chairman of the Federal Reserve**: When asked if tax cuts pay for themselves on Meet the Press, he responded “they do not.” [Meet the Press, [8/1/10](#)]

And House Republicans have insisted that we need to reduce the deficit:

- **Speaker Boehner**: “CBO’s latest report serves as yet another warning that Washington must act now to rein in our massive deficits and debt, which are hurting our economy, costing jobs, and jeopardizing the American Dream for our kids and grandkids.” [[9/17/13](#)]
- **Leader Cantor**: “Together, House Republicans will not ignore the problem of our debt or the problems facing the working middle class of this country, and so we hope and we ask that this President finally engage Congress and works with us on behalf of American families.” [[9/18/13](#)]
- **Budget Committee Chairman Ryan**: “The people deserve a government that works for them, not one that buries them in more debt.” [[4/17/14](#)]

Unfortunately, bringing six unpaid for tax credit bills does exactly the opposite. If House Republicans are serious about fiscal responsibility, they should work with Democrats to find a bipartisan way to pay for this bill so that we can pass it on a strong bipartisan basis and make the investments needed for businesses to continue to innovate, grow, and create well-paying jobs.